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C O N F I D E N T I A L SECTION 01 OF 04 TAIPEI 000156

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SUBJECT: RISING KMT STAR ERIC CHU ON ELECTIONS, "TYPHOONS"  
(DIRTY TRICKS), AND UN REFERENDA

Classified By: AIT Director Stephen M. Young. Reason(s):  
1.4 (B/D)

¶1. (C) Summary. Taoyuan Magistrate Eric Chu, a rising younger generation KMT leader, told the Director on January 28 that he expects the KMT to "take off the table" its support for the UN referendum before the March 22 presidential election. He urged that the U.S. not make further statements, stressing that the KMT itself opposes the referenda and "knows what to do." Echoing others in the Blue camp, Chu stated the KMT is deeply concerned over Ma Ying-jeou's personal security. Ma's current "Green Card" imbroglio -- does he or doesn't he have -- is another of the DPP's "typhoons," the KMT's new term for dirty tricks, that are surfacing in the presidential campaign. The Director emphasized to Chu, a close Ma advisor, that the U.S. will remain strictly neutral in the Taiwan presidential race and looks forward to working with whichever candidate wins to rebuild trust and to repair the damage to U.S.-Taiwan ties over the last couple of years. End Summary.

¶2. (C) Taoyuan County Magistrate Eric Chu (Chu Li-lun) visited the Director on January 23 for a wide-ranging discussion of the legislative and presidential elections, UN referenda, and other issues. Forty-six year old Chu, who has a Ph.D. in Accounting from NYU, is one of the rising stars of the KMT political firmament and a close advisor to Ma Ying-jeou. He is also close to LY Speaker Wang Jin-pyng, whom he calls "uncle," and to Taichung Mayor Jason Hu, with whom he is working to push forward KMT reform. Chu has consistently placed at the top of island-wide public opinion surveys measuring the performance of Taiwan's 25 city mayors and county magistrates, making him an obvious candidate for next-generation KMT leadership.

LY Election Retrospective

¶3. (C) Magistrate Chu told the Director with evident pride that he had orchestrated and led the KMT campaign to win all six Legislative Yuan (LY) seats in Taoyuan County. He attributed the KMT's perfect score there to the aggressive campaigning by Ma Ying-jeou and himself . . . and President Chen Shui-bian. The last, he explained with a grin, was

perhaps most important, particularly President Chen's three visits during the final week of the campaign to District 2, traditionally a DPP stronghold. Chen's visits, he claimed, helped KMT candidate Liao Cheng-ching win District 2. Chu said he had "assigned" Liao, his Deputy County Magistrate, to run in this "green" district, but Liao had resisted on grounds of a lack of money, absence of any political experience, and seeming hopelessness of the race. Chu pressed Liao and personally raised the money and campaigned for Liao along with Ma, who visited the district several times. But it was President Chen's three visits that "greatly helped us." (Comment: Chu's point was that the polarizing and unpopular Chen helped increase Blue turnout on election day.)

#### Looking Forward to the Presidential Election

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14. (C) The KMT must be careful and "conservative" in the wake of its landslide LY victory, Chu told the Director, because the March 22 presidential election will be very different from the January 12 LY election. The legislative victory, he explained, was a product of personal ties and local conditions that will not carry over to the presidential election. Rather, the presidential election will be "superficial" and not deeply rooted in each district, so that the grass roots ties that worked on January 12 will have much less resonance in the presidential election. Therefore, Chu is mobilizing the KMT town mayors and district magistrates of Taoyuan County to tap their personal ties to help Ma and maintain the KMT margin of victory in the presidential election.

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#### Neutralizing "Typhoons"

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15. (C) Maintaining these grass roots ties will, in turn, reduce the impact of "typhoons," Chu stated, explaining that "typhoon" is the term the KMT uses for DPP campaign surprises and dirty tricks. Strong KMT "ground troops," Chu said, would enable the party to counter "air raids" from the DPP. With 52 days left before the presidential election, he said, "typhoons" can be very damaging to the Ma/Siew campaign.

#### Security First

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16. (C) The Director asked what is the worst surprise that could happen, to which Chu replied simply, "assassination." He explained that he is very worried about Ma's security situation and the possibility of an assassination attempt and that he has long urged Ma to enhance his security protection. Last week, he noted, Taiwan security forces confiscated fourteen guns and detained a group of people whose jokes about using the guns on Ma had been intercepted. Immediately after Ma formally registered his presidential candidacy on January 27, the National Security Bureau (NSB) dispatched forty-five guards to provide full-time security for Ma. Ma and the KMT, however, are concerned about Ma's security situation, Chu said, and are relying on eight "inner guards" drawn from the Taipei police, who worked for Ma when he was Mayor and are personally loyal to him. Although Ma "is being more careful," Chu told the Director he remains "not so confident" about Ma's security situation,

17. (C) The KMT is also concerned about Frank Hsieh's security, Chu continued. Violence toward Hsieh, he said, could elicit sympathy votes for Su Tseng-chang and possibly win him the presidential election. (Comment: Chu appeared to be hinting at the suspicions several KMT leaders have voiced to AIT that some in the ruling DPP might want to get rid of Frank Hsieh, a long-time Chen competitor, to make way for Su Tseng-chang, who is closer and more acceptable to President

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Chen.)

Green Card Imbroglio  
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18. (C) The second "typhoon," or dirty trick, Chu told the Director, has already hit: Hsieh's attack on Ma's "Green Card" (U.S. permanent residence) status. Chu told the Director that the KMT had known about DPP plans to raise this a month ago. The Director asked whether Ma's initial press statement insisting he does not have a Green Card had been a tactical mistake, given Ma's subsequent admission that he earlier had a Green Card. Chu responded that Ma's main campaign organizer, King Pu-tsung, had advised Ma to respond to Frank Hsieh's challenge by treating it as a personal or family issue. Chu said he would have advised Ma to explain clearly and not to call a press conference, but unfortunately he (Chu) was in Japan last week when the issue broke. Chu agreed with the Director that how a candidate acts is often as important as what a candidate does, noting that people are now watching Ma's responses very closely. He added that Ma needs to learn to respond to challenges quickly but in a relaxed manner and with humor.

Presidential Election: Chen, PRC  
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19. (C) Chu told the Director that President Chen appears to have retreated from the campaign front line, which is reviving Hsieh's campaign prospects. Hsieh's situation is reminiscent of the 2000 presidential election in which former President Lee Teng-hui was a burden on KMT candidate Lien Chan, who was unable to separate himself from Lee. Similarly, Chu said, Hsieh is finding it difficult to disconnect himself from Chen. Hsieh, moreover, is distracted by the need to raise funds for his campaign, which is proving difficult. Ma, on the other hand, is able to campaign

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non-stop, as the KMT has a strong grass roots organization and its landslide LY victory is pulling in business contributions.

110. (C) The Director asked whether Chu thought China might do something to affect the presidential election. Chu responded that while a "typhoon" (surprise) from either China or the U.S. could affect the campaign, the real challenges come from within Taiwan. China, he said, has become much smarter than it was in earlier elections. Nevertheless, it continues to "stupidly" push its foreign policy isolating Taiwan, most recently by coaxing Malawi away from Taiwan, which could affect the presidential election.

Let Us Handle the Referenda  
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111. (C) The Director asked about the status and prospects for the UN referenda, noting that last week's efforts to take them off the ballot seem to have failed. "No one in the KMT leadership," Chu replied, "believes the referenda are important to the KMT." While the two referenda will not pass, it would be best for the KMT to simply "take them off the table." He anticipates the KMT will decide to boycott the referenda, which he predicted would prevent both from reaching the fifty percent (of eligible voters) threshold for validity.

112. (C) Chu urged that the U.S. "does not need to play a role" in the UN referenda, because the KMT itself opposes and knows what to do. Conversely, he argued, a U.S. public statement could cause an emotional reaction in Taiwan and increase the vote for both the referenda and Frank Hsieh. The KMT "knows what to do," Chu repeated, "and will boycott" the referenda, just as it did the two earlier referenda on January 12. The party will explain to voters that it

supports the referendum as a tool of democracy, but it should not be conjoined with elections. The voters, he insisted, will understand and this will not damage Ma's election prospects.

¶13. (C) The Director asked what Ma would do if he wins and the DPP UN referendum passes. "We have seriously discussed this possibility," Chu replied, and do not think it is a big issue. In any event, he added, the KMT has a three-fourths majority in the LY and can control developments. If Ma wins and both referenda fail, asked the Director? Then, Chu responded, Ma would make an effort to join the UN, "but not so strenuously as President Chen." While the formal goal is UN membership, the KMT government would focus its efforts on the practical and achievable goal of enhancing participation in international organizations

#### U.S. Neutrality -----

¶14. (C) The Director emphasized to Chu that the U.S. will remain neutral toward Taiwan's presidential election, and will work with the winner to rebuild trust and repair the damage to U.S.-Taiwan ties over the last several years. We will cooperate with Taiwan on increasing participation in international organizations, particularly those dealing with health, trade, and social issues. At the same time, the U.S. hopes Taiwan will increase its interaction with China. The U.S., he explained, has no prescription for Taiwan's future. Rather, our primary concern is that any agreement between Taiwan and the PRC must represent the free will of the people of Taiwan. This free will is important in the face of China's use of both persuasion and threat.

¶15. (C) Chu responded, "Ma is not nave about China; he is not Lien Chan." While the People First Party (PFP) is no longer a viable party, James Soong still seeks to influence KMT policy on cross-Straits and other issues. However, Chu noted, "Ma dislikes Soong very much" and "does not listen to Lien Chan."

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¶16. (C) The Director explained that the U.S. wants good relations with China and also hopes Taiwan and China will develop healthy and stable cross-Straits relations. The U.S. will cooperate with Taiwan within clearly defined limits -- i.e., not on the UN or on Taiwan's diplomatic allies. If Ma wins, the U.S. looks forward to cooperating with him. "That would be," replied Chu, "with Ma, Su Chi, Jason Hu, and me."

#### Comment -----

¶17. (C) In the glaring absence of any real evidence that Ma's safety is in real danger, we have to attribute persistent KMT claims that their candidate is in danger to the party's conviction that the DPP will stop at nothing to win in March. That said, we continue to stress to all sides the importance of hewing closely to democratic and peaceful processes as the presidential contest heats up.  
YOUNG